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WELLINGTON, N.Z.

JULY · 1951

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Foreign Exchange

VI - THE CONVERTIBILITY OF STERLING

IN THE FIRST ARTICLE IN THIS SERIES it was stated that exchange dealers can freely buy and sell foreign currencies only if they hold adequate stocks of those currencies. If adequate stocks are not held, restrictions may have to be applied either to trade or to international payments, or to both. Such restrictions so interfere with the flow of goods and services throughout the world that economic welfare is adversely affected. The free flow of capital funds is also desirable, provided the funds are required for legitimate investment and are not in the nature of "hot money" moving between countries for speculative purposes. Circumstances may arise, however, when the advantages of free convertibility of currencies must be sacrificed, in an emergency, in order to prevent a breakdown in the mechanism of international payments.

Sterling as an International Currency

For a hundred years or more prior to 1939 sterling was an international currency in the fullest sense. Not only was Britain's own trade very substantial but there was also a large entrepôt trade, British merchants acting as middlemen organising trade between other countries. The goods concerned did not necessarily touch the shores of Britain. All this trade was normally financed in sterling. Moreover other trade in which British merchants did not participate was often financed in terms of sterling. The money market in London thus became specialised in the financing of international trade, and in fact about 50 per cent of world trade was financed in terms of sterling. It was possible for any country to use its sterling funds to meet payments due to any other country, either by transferring the ownership of sterling or by buying the required foreign currency in the London market. It was normally possible also to buy gold in London if desired. During most of the period since 1914 this convertibility of sterling into exportable gold has been suspended, but (wartime emergencies apart) sterling was freely convertible into other currencies and was freely transferable to the ownership of other countries. This absence of restrictions on the use of sterling was facilitated by the fact that Britain was a major producer of manufactured goods for world markets, and because the balance of receipts and payments for the United Kingdom was relatively stable. A net excess of payments for imports over receipts from exports, i.e., an adverse "visible" balance, was met from a net surplus in "invisible" transactions-receipts from shipping, insurance, banking and commercial services, and overseas investments. There was equilibrium also from a regional point of view-surpluses with some countries could be offset against deficits with others without any balance of payments problem arising. In the circumstances described above it was natural that other countries should find it desirable to hold sterling funds.

War-Time Controls

With the introduction of exchange control in the United Kingdom at the outbreak of war on 3rd

September, 1939, sterling was no longer freely convertible and freely transferable. Exchange control was introduced as a war measure, its legal basis being the Defence (Finance) Regulations issued originally under the Emergency Powers Defence Acts, but since 1947 under the Exchange Control Act. The changeover from a peace to war economy meant not only a substantial increase in overseas payments due to a higher level of imports, but also a decline in exports, and a loss of earnings from the "invisibles", in particular shipping and overseas investments. Moreover it involved some far-reaching changes in the pattern of the United Kingdom's trade. The reason for the introduction of exchange and quantitative trade controls was therefore the conservation of the gold and non-sterling area currency reserves and income to ensure that they were used to the maximum national benefit.

If controls had not been introduced, foreign exchange urgently needed by the United Kingdom would have been sold to other countries for payment in sterling, and this loss of reserves would have been added to the drain caused by Britain's own requirements of foreign exchange. This applied particularly to dollars and Swiss francs, the currencies which were

in shortest supply.

The structure of exchange control which was built up in the United Kingdom was a complex and changing one, so that it is not practicable to describe it in detail here. The main features may, however, be summarised as follows. The sterling area was formally established (see last month's "Bulletin"), payments within that area being left free from control. The gold held by the Bank of England was transferred to the Exchange Equalization Account, which also acquired privately-held gold; privately-held securities and balances in certain specified countries were brought under control and in some cases (mainly dollar securities) were requisitioned by the Government; restrictions were placed on remittances by residents of the United Kingdom to countries outside the sterling area, especially for capital purposes; and restrictions were placed on the extent to which nonresidents of the sterling area could use sterling for making payments to other non-sterling countries. The severity of these restrictions on the transferability of sterling varied adversely with the willingness of the recipient country to use the funds to buy sterling area goods or to accumulate sterling.

In the administration of exchange control in the early stages two types of sterling accounts were established—"registered accounts" and "special accounts". The former related to the sterling which accrued to the accounts of United States and also of Swiss banks, and later of approved corporations in those countries; such sterling balances were convertible into dollars at the official selling rate, and were thus in effect freely convertible into any currency. The "special accounts" related to the various countries with which bi-lateral agreements had been signed. Sterling in such an account could be used only for transactions between that particular country and the

sterling area, unless special exceptions were stated in the agreement or were permitted by United Kingdom exchange control in individual cases. In May, 1941, bi-lateral agreements were signed with twelve Central American countries, which were treated as a single unit and their sterling accounts designated "Central American Accounts", each country in the group being permitted to spend its sterling earnings either in the sterling area or in any other Central American Account country. Another main feature of these early bi-lateral agreements was that in some cases, for instance Portugal, Persia and Argentina, gold guarantees were given in respect of the sterling that accumulated in the "special accounts". This meant that the country holding the sterling was guaranteed against any reduction in the gold value of its holdings should sterling be subsequently devalued in terms of

The system of controls and sterling accounts which has been outlined above remained in effect (with some minor adjustments) throughout the war years. The effect was to curtail very substantially the free use of sterling as an international currency.

Post-War Developments

When the war ended in 1945, an immediate return to free convertibility and transferability of sterling was not practicable because of the very serious condition of the United Kingdom's balance of payments, both in total and in relation to the dollar area. Lend-lease, which had made it possible for the United Kingdom to obtain essential supplies from the United States without cash payment, ended in August, 1945. The United Kingdom had suffered severe capital losses as a result of the war, including shipping, buildings, machinery and equipment, overseas investments, and gold and dollar reserves. Moreover she was heavily in debt to other countries both inside and outside the sterling area, because of the very large sterling balances which those countries had accumulated during the war. (The special problem presented by these sterling balances will be discussed in a later article in this series.) Finally her dependence upon dollar sources for essential supplies continued and exports to non-dollar countries yielded foreign exchange that could not be converted into dollars.

The Dollar Loans

In the light of the above difficulties it was obvious that, if the British people were not to be subjected to very severe restrictions and a lowered standard of living for an indefinite period, some sort of assistance from the dollar area was essential. If such assistance were forthcoming on a sufficient scale, not only would an almost intolerable degree of austerity be avoided, but also some progress would be made towards the removal of discriminatory trade and exchange controls and the restoration of the free convertibility of sterling. Accordingly the United Kingdom obtained loans of \$3,750 million from the United States Government (December, 1945) and \$1,250 million from Canada and accepted an obligation to make sterling freely convertible for current (i.e., noncapital) transactions by 15th July, 1947, one year after the loan agreement with U.S.A. came into effect.

Even before the loans were received the United Kingdom concluded financial agreements with many of the liberated European countries in addition to renegotiating existing bi-lateral agreements. In these negotiations two broad considerations were kept in view. The first was that the new agreements, because of peacetime conditions, would have to finance a greatly increased trade between the sterling area and each of the countries concerned. The second was that the agreements would have to take some account of the need to make sterling freely convertible, and to restore its function as an international currency.

The bi-lateral agreements signed in 1945, though by no means identical in terms, were of a fairly uniform pattern and to some extent followed the model of the war-time "special accounts". They were all strictly bi-lateral in character and contained the

following main features:-

 Trade and financial payments between the country concerned and the sterling area were to be settled in sterling.

Such payments were to be channelled through certain accounts held at the respective central banks or at prescribed commercial banks.

- The use which could be made of balances accruing in these accounts was specified in the agreement, or was left, in part, subject to special agreement between the contracting governments.
- Provision was made concerning the exchange rates to be used.

Several of these post-war agreements differed from their predecessors in that a "gold clause" was incorporated, which provided that if the country in question accumulated sterling in excess of some specified amount the United Kingdom would freely convert such excess into gold or United States dollars (this provision operated reciprocally). In view of the need to avoid gold losses through the operation of this "gold clause" it became a matter of policy to maintain as close a balance of payments as possible with each of the countries concerned, and to prevent the accumulation by them of sterling balances which might have to be converted into gold or dollars.

The bi-lateral agreements negotiated by the United Kingdom in 1945 and 1946 did little to change the system of "special accounts" referred to earlier or to widen the range of uses to which sterling balances could be put. However, a change had been made in July, 1945, when the "Central American Accounts" were grouped with the United States "registered accounts" into a single group known as "American Accounts". Sterling in such accounts could be freely converted into dollars or transferred to any other

country.

Transferable Accounts

During the early part of 1947 a new system of "transferable accounts" was developed in the United Kingdom, with a view to enabling a wider use of sterling as an international currency and to prepare the way for the restoration of full convertibility of sterling. A number of these accounts were established as a result of a new series of bi-lateral agreements. They were similar to the "special accounts" in that all non-capital transactions between the country concerned and the sterling area were channelled through them, but differed in that sterling in such accounts could be used not only for payments to the sterling

area, but also for payments to other "transferable account" countries. (In addition, some degree of "administrative transferability" was permitted, i.e. transfers of sterling specifically approved by the United Kingdom exchange control.) More important, however, was the provision that sterling in transferable accounts could be freely transferred to any "American Account" for current transactions. Sterling in the latter accounts being freely convertible into dollars, the requirement contained in the U.K.-U.S.A. Loan Agreement of December, 1945 (that sterling should be freely convertible for current transactions by 15th July, 1947) was thus carried out in respect of the transferable account and American Account countries. In the middle of 1947 the transferable account countries were:—Argentina, Brazil, Uruguay.

Belgium, Holland, Portugal, Spain, Norway, Finland, Italy, Czechoslovakia, Egypt and the Sudan, Iran, Ethiopia, Sweden, Canada, and Newfoundland.

There were still many countries not included in the sterling area, the dollar area, or the transferable account area. For various reasons these countries were still on a strictly bi-lateral basis with the United Kingdom—i.e. their sterling balances could be freely used only for payments to the sterling area, though some "administrative transferability" was allowed. However, in the middle of 1947 it appeared that considerable progress had been made in the restoration of sterling to its normal position as an international currency.

(This article will be concluded next month.)

The Reserve Bank Weekly Statement

By its governing act, the Reserve Bank is required to publish a weekly statement of its assets and liabilities as at the close of business on the day designated as the weekly balancing day (formerly Monday, but since January, 1947, it has been Wednesday). This statement is published in the Gazette and subsequently

in the main daily newspapers and also a number of periodicals. In order to facilitate the understanding of the Bank's operations, this article will describe the weekly statement in some detail and point out the significance of changes in the important items.

The statement for 4th July, 1951 reads:-

STATEMENT OF ASSETS AND LIABILITIES

OF THE

RESERVE BANK OF NEW ZEALAND

As at the close of business on Wednesday 4th July, 1951.

LIABILITIES	•	£	S.	d.	ASSETS	£	S.	d.
General Reserve Fund		1,500,000	-	-	Reserve-	E 170 950		
Bank Notes	1177	59,491,993	_	-	(a) Gold *(b) Sterling Exchange			
Demand Liabilities-					(c) Gold Exchange			-
(a) State		8,386,411	13	10	(d) Other Exchange	411,212		
(b) Banks			5	5	Subsidiary Coin	560,276	10	-
(c) Other			3	1	Discounts— (a) Commercial and Agricul-			
Time Deposits		-	_		tural Bills	284,242	2	(
Liabilities in Currency than N.Z. Currency		83,931	16	7	(b) Treasury and Local Body Bills	-	-	-
Other Liabilities		4,910,579	3	2	(a) To the State or State Undertakings			
					(1) Marketing Organisations	2,612,891	15	1
					(2) For Other Purposes (b) To other Public Author-	50,000,000		-
					ities	-	-	-
					(c) Other			
					Investments	7,974,228	3	7
					Bank Buildings	-	_	-
					Other Assets	3,503,002	-	-
	£ (N.Z.)	152,036,401	2	1	£ (N.Z.)	152,036,401	2	I

^{*} Expressed in New Zealand Currency.

The following is an explanation of the individual items, in the order in which they appear above:

LIABILITIES

General Reserve Fund:

When the Reserve Bank was first established, its capital consisted of a General Reserve Fund of £1,000,000 provided by the Government and £500,000 subscribed by private shareholders. In 1936 when the Bank was nationalised, the Government purchased the shares and a further £500,000 was added to the General Reserve Fund. Since then the Fund has remained unchanged at £1,500,000.

Bank Notes:

This item shows the total of notes issued by the Reserve Bank. It includes notes held by the trading banks (at present about £10m.), so that it exceeds by that amount the notes held by the public—the "active" circulation.

Since August, 1936, this figure has also included some trading bank notes still outstanding. When the Reserve Bank opened for business on 1st August, 1934, it was given the sole right of note issue, and the notes previously issued by the trading banks were to be withdrawn from circulation. Any of those notes not withdrawn by 1st August, 1936, became the liability of the Reserve Bank, an equivalent sum being paid over to the Reserve Bank by the trading banks. At present this liability amounts to about £356,000.

Demand Liabilities:

(a) State: As the Government's banker, one of the functions of the Reserve Bank is to hold the deposits of Government Departments. Most of these operate on a single account known as the Public Account, but there are also a number of separate_accounts, an important one being that of the Post Office. In addition the various official marketing organisations have accounts with the Reserve Bank—the Dairy Products Marketing Commission (the "Dairy Industry Account"), the Marketing Department (the "Meat Industry Account"), the Wool Disposal Commission (the "Wool Disposal Account"), and the Apple and Pear Marketing Board (the "Apple and Pear Industry Account"). The item "Demand Liabilities to the State" therefore represents the total credit balances in all the above accounts.

(b) Banks: This figure is the total of deposits by the trading banks with the Reserve Bank. There is a statutory requirement that the banks should maintain deposits at the Reserve Bank equal to not less than 3 per cent of their time liabilities plus 7 per cent of their demand liabilities. In practice, however, much

more than this is usually held.

(c) Other: The accounts covered by this heading include the "Wool Retention Account", the deposits of some overseas central banks, and a number of internal accounts of the Reserve Bank. The money received by the Wool Disposal Commission under the wool retention scheme is held temporarily in the "Wool Retention Account" pending its transfer to the individual growers' retention accounts at the trading banks or with stock and station agents.

Time Deposits:

This heading, which so far has not been used, would include deposits not payable within 30 days.

Liabilities in Currencies Other than New Zealand Currency:

This account shows the value of outstanding foreign currency liabilities of the Bank, i.e. cheques and drafts drawn on the Reserve Bank's accounts at overseas central banks but not yet presented.

Other Liabilities:

Included here, together with some miscellaneous accounts, are the various reserve funds set aside by the Bank, and the Bank's "Revenue Account".

ASSETS

Reserve:

One of the duties of the Bank is to hold reserves which, in the opinion of the Board of Directors, will provide a reasonable margin for contingencies after taking into account prospective receipts and disbursements of overseas funds and having regard to the economic position within New Zealand. "Reserve" in this connection includes:—

(a) Gold: The value of gold as shown in the statement is the value at cost. This means that all gold purchased before the gazetting of the Gold Acquisition Notice, 1948, (it was all in the form of coin), is valued at face value, and all gold (including coin) purchased after that date but before the depreciation of sterling in September, 1949, is valued at £8. 12. 3. an ounce. Gold purchased since September, 1949, is valued at £12. 8. 0. an ounce.

(b) Sterling: This figure includes some deposits held at the Bank of England, but the main part is invested in British Treasury Bills. Although these Bills are of three months' maturity they are virtually cash because they can be rediscounted in London at any time. The present rate of discount on these Treasury

Bills is about 1 per cent per annum.

(c) Net Gold Exchange: This heading would include funds held in currencies which were convertible on demand into gold. As yet the Bank has not held any exchange satisfying this requirement. Even United States dollars are not freely convertible into gold, conversion being subject to rules laid down by the United States Treasury.

(d) Other Exchange: The Reserve Bank Amendment Act, 1950, provided that balances standing to the credit of the Bank at the central bank of any country the currency of which is freely convertible into sterling should be regarded as part of the reserve. At present the figure shown under this heading represents balances at the central banks of the United States and Canada.

Subsidiary Coin:

This item shows the value of coin held by the Bank as till money or as a reserve to meet the coin requirements of the trading banks and the public.

Discounts:

Although the Reserve Bank has always had the power to discount or rediscount commercial, agricultural, Treasury and local body bills, it has not had occasion to do so, apart from Treasury Bills, until January this year. The Bank's official discount rate (1½ per cent) is applied to discounts other than Treasury Bills.

Advances:

(a) To the State or State Undertakings: This is divided into two sections:-

(i) Marketing Organisations: If the accounts relating to Dairy, Meat, Wool, or Apple and Pear marketing should be overdrawn, the aggregate overdrafts are shown under this heading. These advances are analogous to those made by the trading banks to finance the fluctuating short-term commitments of private traders.

(ii) For Other Purposes: One of the methods by which the Government might borrow from the Reserve Bank is by issuing to the Bank Treasury Bills which mature in three months, the proceeds being credited to the Public Account. Discount on these bills is at the rate of 1 per cent per annum. Alternatively (or in addition) it may borrow limited amounts on overdraft (see Section 21 of the Finance Act 1946). Both Treasury Bills and overdrafts (if any) are included here. A third possible method of government borrowing from the Reserve Bank is to borrow against or sell to the Bank long-term stock. See "Investments" below

(b) To Other Public Authorities: The Reserve Bank is empowered to grant accommodation against the securities of local authorities or public bodies, but so far this power has never been used.

(c) Other Advances: The amount shown here represents the drawings on the loans granted to the French and Czechoslovak Republics in 1947 and 1948 respectively, to assist them in the purchase of New Zealand wool. Any advances made to trading banks (as in 1937, 1938 and 1939) would also come under this category.

Investments:

There are three methods by which the Reserve Bank may acquire long-term investments. Firstly, as mentioned above it may lend money to the Government by direct purchases of long-term stock; secondly it may purchase securities in the open market; and thirdly it can purchase stock overseas. The first two methods increase the money supply in New Zealand, but the third does not since it is merely another way of holding overseas exchange. At present most of the Reserve Bank's investments are in Government stock domiciled in New Zealand, nearly all of which bears interest at one per cent.

Bank Buildings:

The Bank does not own the building in which its main operations take place. Other minor property it owns is included in "Other Assets".

Other Assets:

Includes notes and coin of overseas countries, deposits at overseas central banks not eligible for the "reserve", items for collection, and miscellaneous minor accounts.

Interpretation

The best way to illustrate the significance of changes in the various items in the statement is to

show what happens when typical transactions take place. The following are some examples:-

(a) Increase in Demand for Notes: If the public require more notes they obtain their requirements by drawing on the banks. The latter find their till money depleted, and buy new notes from the Reserve Bank, drawing cheques on their accounts at the Reserve Bank to pay for them.

Such transactions will increase the item "Bank Notes" in the Reserve Bank statement and correspondingly decrease the item "Demand Liabilities—Banks" so that there is no alteration in the total of liabilities.

(b) Dairy Produce Transactions: When the Dairy Products Marketing Commission pays the dairy companies for produce purchased for export, it draws cheques on the "Dairy Industry Account" at the Reserve Bank. The proceeds are paid to the trading banks and credited by them to the accounts of the dairy companies. In the process the credit balance of the "Dairy Industry Account" at the Reserve Bank is reduced (or its overdraft increased) and the deposits of the trading banks are increased. Thus the item "Demand Liabilities—State" falls while the item "Demand Liabilities—Banks" rises.

When dairy produce is loaded on board ship at a New Zealand port, the Reserve Bank claims from the United Kingdom Ministry of Food the appropriate amount of sterling in accordance with the terms of the bulk-purchase contract. The sterling is paid into the Reserve Bank's account at the Bank of England, thereby increasing the item "Sterling Exchange" while the Reserve Bank credits the "Dairy Industry Account" with the equivalent amount in New Zealand currency. If the "Dairy Industry Account" is in credit, there will be an increase in the item "Demand Liabilities—State", while if it should be overdrawn there will be a reduction in the item "Advances to the State or State Undertakings—Marketing Organisations"

(c) Sales of Sterling: As the holder of the major part of New Zealand's sterling funds, the Reserve Bank is frequently called upon to sell sterling either to the banks or to the Government. In either case the usual effect is virtually the same, i.e. a reduction in either "Beserve-sterling" matched by a reduction in either "Demand Liabilities-Banks" or "Demand Liabilities-State". However the Government may also, to finance its purchase of sterling, borrow from the Reserve Bank, in which case the reduction in sterling is offset by an increase in "Advances to the State" or "Investments".

(d) Income Tax Payments: The payment of income tax each year (mainly in March) has marked effects on two items of the weekly statement. Firstly there is a very large increase in the level of "Demand Liabilities—State"; and secondly, because most of the tax is paid by cheque, there is a reduction in "Demand Liabilities—Banks". Usually the increase during March in the credit balance in the Public Account is used to repay sums borrowed from the Reserve Bank earlier in the financial year when tax receipts are at a lower level. Such repayments bring about a reduction in "Demand Liabilities—State" balanced by reductions in "Advances to the State for Other Purposes" or in "Investments".

Current Notes

1951 National Development Loan

This year's £10 million development loan was oversubscribed by more than £3 million. When the loan closed on 25th June, two days early, 3,605 subscribers had applied for £13,015,085. In accordance with the prospectus, money not required for the works programme will be used for the repayment of existing loans.

Dairy Produce Prices

The United Kingdom Ministry of Food has agreed to purchase butter from New Zealand in the 1951-52 export season, which commences on the 1st August, 1951, at prices $7\frac{1}{2}$ per cent above the current season's. This is the maximum increase allowable under the bulk-purchase agreement. The prices for cheese have also been increased by an appropriate amount. The new prices per cwt. (f.o.b.) with the current season's prices in brackets are as follows:—Finest grade butter, 292/- (271/6); finest and first-grade cheese, 161/6 (151/-).

The Ministry of Food has also agreed that the N.Z. Dairy Products Marketing Commission may reserve 15 per cent of the Dominion's exportable surplus of butter and cheese in the 1951-52 season for sale in markets other than the United Kingdom. This compares with 10 per cent reserved in the 1950-51 season and 3 per cent in previous seasons.

Import Licensing

The Minister in Charge of Import Licensing announced on 11th June that import licenses for the current calendar year have been extended until 30th June, 1952. This arrangement has been made because of the disorganisation of shipping schedules by the waterfront dispute.

Sixteen more import items were released from import licensing on 14th June, and seventy-one on 5th July, if obtained from other than scheduled countries.

Wool Auctions and Prices

The 1950-51 season's wool sales are to be resumed on 15th August at Auckland, and will continue at regular intervals until 12th October. Auctions were suspended on 22nd February because of the inadequate shipping available for wool exports as a result of the waterfront hold-up. At that time about 295,000 bales of the current season's clip were still to be sold.

Wool prices were rising on the local market in February, when sales were interrupted, and a similar trend continued on overseas markets until the end of March. From then onwards values have fallen by as much as 40 per cent, as is shown by the accompanying table and graph.

Notwithstanding the shipping hold-up, receipts of overseas exchange on account of wool have by no means ceased since February, and in the last four months have still provided a substantial portion of total overseas receipts, as is shown below.

OVERSEAS EXCHANGE RECEIPTS

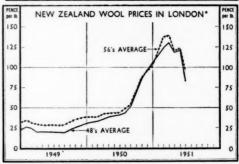
(£N.Z. million)

1951	Wool	All Other Receipts	Total Receipts
January	18.8	13.4	32.2
February	15.0	12.6	27.6
March	8.5	9.2	17.7
April	10.7	9.7	20.4
May	13.1	12.0	25.1
June	16.3	12.6	28.9

NEW ZEALAND WOOL PRICES .

(Pence per lb.) Source: N.Z. Wool Board

			Class of	f Wool				
Month	48	s's Avera	ge	56's Average				
	1949	1950	1951	1949	1950	1951		
Jan.	261	n.a.	n.a.	35	n.a.	n.a.		
Feb.	25	33	124	32	383	1374		
March	21	351	1301	30	421	139		
April	21	381	1181	283	433	121		
May	204	n.a.	1214	283	n.a.	1234		
June	201	411	824	284	441	961		
July	n.a.	431		28	n.a.			
August	191	514		283	54			
Sept.	n.a.	n.a.		n.a.	n.a.			
Oct.	251	851		351	861			
Nov.	28	971		371	963			
Dec.	31	106		381	102			



 N.Z. ex store equivalent of prices for N.Z. wool sold at U.K. auctions.

Agricultural and Pastoral Statistics

Last year, as part of the World Census of Agriculture, a special New Zealand Census of Agriculture was taken and preliminary results—New Zealand totals for each item of information included in the questionnaire—have been published in a supplement to the May, 1951, "Monthly Abstract of Statistics". In addition to the information included in the tables published on pages 106 and 107 of this "Bulletin", the Census revealed significant changes that have occurred in various aspects of agricultural and pastoral production between 1930 and 1950.

Of these changes one of the most important has taken place in occupancy, as is illustrated in the following table. The number of farm managers has increased, as have Maori-occupied holdings, while holdings worked under a share system have trebled.

AGRICULTURAL AND PASTORAL HOLDINGS

	1930	1950
Total number of holdings	85,167	90,192
share system	781	2,633
Number of holdings occupied by Maoris	2.715	4.334
Number of holdings being entirely		
idle or unused Status of occupier:—	6,330	2,262
Owner or lessee	83,164	85.417
Manager	1.222	2.524
Share-worker	781	2,251

In the twenty year period the use of both fertilisers and irrigation expanded considerably. In 1949-50, a total of 5.7 million acres were top-dressed compared with about 2.7 million acres in 1929-30, while the area irrigated increased from 64,846 acres to 106,494 acres in the same period. However it is in the use of farm machinery that the most striking change has taken place as can be seen in the table on page 106.

Considerable changes have also occurred in the farm labour force and farm population. In 1929-30, of the 135,909 persons (15 years of age and over) engaged in farm work, 117,590 were males and 18,319 were females. In 1949-50 a total of 125,689 persons were employed of which 109,461 were males and 16,228 were females. Male labour therefore accounted for the major proportion of the reduction in farm labour.

In contrast to this decline in farm labour, the total farm population actually increased, from 345,770 in 1929-30 to 372,450 in 1949-50,

Most classes of livestock increased in number between 1949 and 1950, but the greatest increase took place in dairy stock. The total for dairy cows in milk in 1950 (1,845,510) is the highest on record, as are the totals for the number of sheep (31,525,570) and lambs shorn (6,332,148), and the number of lambs tailed (21,169,846).

United Kingdom's Gold and Dollar Reserves

The United Kingdom Treasury has announced that during the second quarter of 1951 the United Kingdom gold and dollar reserves increased by \$109 million (compared with \$458 million in the first quarter) as a result of a sterling area net surplus of \$54 million and Marshall Aid amounting to \$55 million. The level of reserves at the end of June, 1951, was \$3,867 million compared with \$2,422 million at the same date last year and \$1,651 million on 30th June, 1949.

Three factors were mainly responsible for the decline in the surplus for the second quarter. Firstly, an increase in expenditure on imports from the dollar area; secondly, a reduction of net receipts of gold and dollars from non-dollar countries, particularly the European Payments Union; and thirdly, a decline in the earnings from exports from the rest of the sterling area to the dollar area. The last factor was partly seasonal and was offset, but only to a limited extent, by an increase in the United Kingdom's exports to the dollar area.

The Chancellor of the Exchequer stated that these less favourable influences on the balance of payments would continue during the next few months, but that it would be unwise to restrict essential dollar imports of materials for stockpiling and other purposes because of the decrease in the surplus for this quarter.

Western Germany and the European Payments Union

In the February issue of the "Bulletin" it was reported that Western Germany, having exhausted its quota with the European Payments Union (E.P.U.) of 320 million units (1 unit = \$U.S. 1) by the end of November, 1950, had been granted a special credit of 120 million units by the O.E.E.C. Council, in order to prevent a possible break-down in intra-European trade and payments. Deficits continued to be incurred by Germany in the E.P.U. monthly settlements up to the end of February, 1951, by which date its cumula-tive debtor position totalled 457.1 million units. Of this amount, 320 million units (the original quota) had been settled by gold payments to the E.P.U. of 128 million, and credits granted by the E.P.U. of 192 million units. The balance, 137.1 million units, was settled by gold payments of 45.7 million and drawings under the special credit of 91.4 million, which was thus nearly exhausted.

The main causes of West Germany's balance of payments difficulties were:—

 The easy credit policy in 1950 which stimulated the demand for imports.

The liberalisation of trade with other E.P.U. members including the issue of unrestricted import licenses, which led to a marked rise in import payments.

The substantial increase in the prices of imports following the outbreak of the Korean war.

Industrial bottlenecks, particularly in coalmining which hindered an expansion in exports.
 The method of payment for imports and exports under which importers (especially in the third

under which importers (especially in the third quarter of 1950) paid in advance of delivery, while exporters in order to develop their trade, granted extended terms of payment.

In November, 1950, two economists, Professor A. Cairncross and Mr. Per Jacobsson, were appointed by E.P.U. to enquire into Western Germany's financial position and to make recommendations. Several measures were then adopted, and further remedial action was recommended by the O.E.E.C. Council of Ministers in April, 1951. The measures adopted or proposed include contraction of bank credit, higher interest rates, severe restrictions on imports (including a temporary suspension of the issue of import licenses), stimulation of exports, and an appeal to other E.P.U. members to increase their imports both from Western Germany and from other members (especially the Netherlands) whose export trade has been adversely affected by German import restrictions.

Largely as a result of these remedial measures, the German balance of payments position has so improved that surpluses of 11.3, 45.1 and 81.2 million units were earned in March, April and May respectively. At the end of May Germany had not only repaid the drawings of 91.4 million units under the special credit, but had also received from the E.P.U. a gold repayment equivalent to 45.8 million units.

I-RESERVE BANK OF NEW ZEALAND Liabilities and Assets

(£N.Z. thousands)

		LI	BILITIE	S					ASSE	rs			
Average of Weekly	Bank	r	emand L	iabilities			Reserve		-	Advances	to State	Other	1
Figures:	Notes	State	Banks	Wool Retention Account?	Other	Gold	Sterling Exchange	Other*	Invest- ments	Market'g Orgns. Other		Advances and Discounts	Other Assets
1944	37,453	13,234	32,987		916	2,802	33,720	-	11,509	2,760	34,861		2,567
1945	41,123	12,228	43,972		1,012	2,802	60,064		11,797	2,085	24,163		1,455
1946	45,169	17,302	59,731		524	2,802	81,332		5,991	961	35.127		1,396
1947	47,682	13,265	57,102		483	2,802	85,300		4,576	1,157	28,510	5	1.046
1948*	48,930	13,228	57,706		380	2,802	65,090		10,496	1.698	35,182	2,437	7,549
1949	51,312	11,384	73,837		355	3,223	48,995		41,855	3,482	37,628	4,907	1,973
1950	55,126	15,446	74,239	117	1,115	4,269	51,319	256	31,313	5,096	52,245	5,378	2,277
Last Wednes-	,	,			-,	.,=0.	,	200	31,313	5,050	02,270	3,370	2,211
day in Month:													
1950—June	54,148	18,262	76,879		4,825	4,259	58,652	209	27,658	5,094	53,000	5,433	5,700
July	54,722	13,920	75,101		1,302	4,323	57,882	209	22,658	3,483	53,000	5,462	3,948
Aug.	54,550	10,590	72,249		1,122	4,397	56,678	615	17,658	3,077	53,020	5,480	3.657
Sept.	54,307	11,674	70,822		958	4,426	52,058	504	21,974	2,789	53,000	5,488	3,604
Oct.	55,274	11,323	72,302		1,007	4,569	49,783	257	25,974	3,206	53,244	5,502	3,511
Nov.	57,473	12,556	70,210		894	4,666	49,596	389	25,974	4,304	54,292	5,503	2,567
Dec.	62,216	14,985	62,579	3,114	556	4,697	47,946	350	30,974	3,558	54,178	5,701	2,386
1951—Jan.	58,583	17,416	67,367	10,889	893	4,810	50,702	390	35,974	4,832	53,000	9,180	2,668
Feb.	57,704	29,924	67,390	7,859	722	4,871	56,333	289	35,974	6,199	53,000	8,855	4,576
Mar.	58,418	44,884	49,060	6,741	756	4,932	60,970	349	27,974	7,372	53,000	7,217	4,663
Apr.	58,675	21,673	65,834	3,849	657	4,959	64,916	544	15,974	9,607	50,000	7,270	4,182
May	58,413	10,544	75,902	1,238	4,718	5,071	73,802	170	10,974	5,842	50,694	6,832	4,174
June	59,804	11,589	73,694	2,879	1,913	5,157	78,120	419	7,974	4,033	50,000	6,495	3,714
July 4	59,492	8,386	71,908	4,891	864	5,170	75,483	411	7,974	2,613	50,000	6,322	3,503
11	59,954	12,519	69,663	6,689	687	5,177	77,145	520	7,974	2,143	52,707	6,322	3,438
18	60,287	11,241	75,658	4,769	676	5,194	78,970	348	11,974	2,021	50,804	6,235	2,933
25	60,624	9,874	75,294	4,882	719	5,203	78,483	460	11,974	1,929	50,000	6,235	2.949

* On and after 20th August, 1948, overseas assets and liabilities converted to N.Z. currency at rate, £Stg.100 = £N.Z.100; previously £Stg. 124 = £N.Z.100. Prior to 1950 the figures for "Other Exchange" are included under "Other Assets".

Held temporarily pending transfer to Wool Rentention Accounts at trading banks. See text page 19 of February, 1951, issue.

II-TRADING BANKS

(EN.Z. thousands)

(EN.Z. thousand	(s)			Lia	bilities an	d Assets				
Average of	LIA	BILITIES (ALCOHOL THE STATE OF THE STATE	land)			ASSETS			Unexercised
Monthly	Demand Wool		ime	Total Demand	Bankers' Net O'seas Securities Adva					Overdraft
Figures:	Demand	Retention Accounts ‡	Other	Liabilities	Bankers' Cash*	Net O'seas Assets	Govt.	Other	and Discounts	Authorities
1944	88,644		30,480	119,125	39,384	11,938	36,141	2,424	46,806	37,120
1945	99,836		31,634	131,470	52,402	13,647	29,335	2,473	51,618	40,274
1946	117,071		34,414	151,485	67,794	12,541	26,168	2,293	58,342	45,041
1947	128,115	1	37,870	165,984	66,041	13,295	20,913	2,124	76,247	46,669
948*	138,211		40,403	178,614	68,814	13,464	16,953	1,942	86,470	50,650
1949	150,699		39,016	189,715	86,120	14,526	12,856	1,813	81,981	57,686
1950	167,526		39,787	207,313	86,674	17,362	11,730	1,677	94,065	64,178
Last Wednes- day in Month:										
1950-June	165,432		40,194	205,626	87,611	18,605	11,730	1,688	91,573	63,116
July	163,306		39,800	203,106	86,307	16,169	11,730	1,667	90,607	64.714
Aug.	157,556	1 1	40,084	197,640	83,534	12,302	11,730	1,652	97,819	64,285
Sept.	157,883	1 1	40,834	198,717	81,797	13,374	11,730	1,649	96,473	64,143
Oct.	162,324		40,094	202,418	83,610	13,927	11,730	1,646	97,087	67,889
Nov.	164,530		39,827	204,357	83,751	9,670	11,730	1,636	105,113	66,274
Dec.20	186,616		39,538	226,153	70,339	22,013	11,730	1,634	108,979	71,347
951—Jan.	194,692	784	39,805	235,281	79,759	32,482	11,730	1,590	112,617	72,294
Feb.	193,039	4.886	39,156	237,080	80,156	34,053	11,715	1,576	118,287	75,416
Mar.	193,709	9,644	39,770	243,124	60,784	31,504	11,715	1,574	133,271	70,364
Apr.	202,906	13,485	40,074	256,466	77,953	30,000	11,715	1,545	135,921	73,703
May	210,769	16,441	40,302	267,512	87,423	34,018	11,715	1,531	137,636	75,732
June	211,864	18,039	39,449	269,353	86,492	39,492	11,715	1,529	132,743	76,425

^{*} Bankers' Cash includes Notes and Coin, and Balances at Reserve Bank.

\$ See text page 19 of February, 1951, issue.

* On and after 20th August, 1948, overseas assets and liabilities converted to N.Z. currency at rate, £Stg.100 = £N.Z.100; previously £Stg.124 = £N.Z.100.

III-NOTE CIRCULATION

By Denominations

Classification of Notes held by the Public as at the last Balance Day in May of each year.

(EN	Z.	tho	MS	an	ds)

		AS AT LAST BALANCE DAY IN MAY							
	1939	1944	1945	1946	1947	1948	1949	1950	1951
10/ £1 £5 £250	571 4,396 5,404 768	951 7,943 16,984 2,939 2,715	1,006 8,675 19,309 3,210 2,232	1,110 9,401 21,635 3,467 1,761	1,134 9,346 22,579 4,326 2,044	1,162 9,277 22,897 4,664 1,977	1,184 9,262 23,706 5,043 2,078	1,247 9,379 25,937 5,784 2,390	1,275 9,322 27,725 6,895 2,663
Reserve Bank Notes Trading Banks' Notes Out- standing*	11,140 451	31,531	34,432 370	37,375 366	39,429	39,976 361	41,274 359	44,737	47,879 356
Total Active Circulation	11,565	31,907	34,802	37,740	39,792	40,337	41,632	45,094	48,235

^{*}Trading Banks' Notes outstanding became a liability of the Reserve Bank as from 1st August, 1936.

IV-FOREIGN EXCHANGE

(EN.Z. thousands)

inds)		1. N	et Overseas	Assets (Ke	vised Series)*			
1948		1949	b		1950			1951	
Total	Reserve Bank	Trading Banks	Total	Reserve Bank	Trading Banks	Total	Reserve Bank	Trading Banks	Total
84,819 94,240 89,636 95,551 97,296 100,017 100,344 78,568 * 72,804 66,487 63,138	50,770 54,329 58,227 60,998 65,652 66,364 62,756 58,312 54,832 49,474 46,961	14,038 15,536 16,749 16,730 16,598 13,623 15,281 13,435 11,166 12,691 13,141	64,809 69,865 74,975 77,728 82,250 79,987 78,037 71,747 65,998 62,165 60,102	46,862 49,179 54,076 58,362 65,607 68,411 67,340 66,099 57,635 54,916 53,871	16,498 18,125 20,100 23,924 23,634 18,605 16,169 12,302 13,374 13,927 9,670	63,360 67,304 74,175 82,285 89,241 87,016 83,509 78,402 71,009 68,843 63,541	58,413 65,198 68,254 72,410 80,410 83,824	32,482 34,053 31,504 30,000 34,018 39,492	90,895 99,251 99,758 102,410 114,428 123,316
	1948 Total 84,819 94,240 89,636 95,551 97,296 100,017 100,344 78,568 72,804 66,487 63,138	1948 Total 84,819 94,240 89,636 95,551 97,296 100,017 100,344 78,568 72,804 66,487 49,474	Total Reserve Banks Ba	Total Reserve Trading Banks Total	1948 Reserve Bank 1949 Banks Total Reserve Banks Reserve Banks <t< td=""><td> Total Reserve Trading Reserve Banks Total Reserve Reserv</td><td> Total Reserve Trading Total Reserve Bank Total Reserve Trading Total Total Reserve Trading Total Total Reserve Trading Total Total</td><td> Total Reserve Trading Reserve Banks Total Reserve Total Reserve Banks Total Reserve Banks Total Reserve Reserve Reserve Reserve Total Reserve Reserve Total Rese</td><td> Total Reserve Bank Total Reserve Trading Banks Total Total </td></t<>	Total Reserve Trading Reserve Banks Total Reserve Reserv	Total Reserve Trading Total Reserve Bank Total Reserve Trading Total Total Reserve Trading Total Total Reserve Trading Total Total	Total Reserve Trading Reserve Banks Total Reserve Total Reserve Banks Total Reserve Banks Total Reserve Reserve Reserve Reserve Total Reserve Reserve Total Rese	Total Reserve Bank Total Reserve Trading Banks Total Total

[•] Foreign exchange and overseas investments held by the New Zealand banking system in respect of New Zealand business, less overseas liabilities. The Reserve Eank figures include not only sterling exchange as formerly, but also other foreign exchange holdings and oversean investments. † Wedassday before Christmas. ** On and after 20th August, 1948, oversean assets and liabilities converted to N.Z. currency at rate £51,210 = £NZ.100; previously £51,212 = £NZ.100.

(EN Z. thousands) 2. Foreign Exchange Transactions of New Zealand Banking System

	-		1950		1			1951		
Calendar Month	REC	EIPTS	, PAYM			RECEIPTS		PAYMENTS		Balance
	Exports	Other	Imports*	Other	Transactions	Exports	Other	Imports*	Other	Transaction
Jan.	18,249	1,744	12,238	2,318	+ 5,437	30,042	2,125	13,938	3.027	+15,202
Feb.	17,500	1,657	12,749	3,133	+ 3,274	26,044	1,509	16,207	2,813	+ 8,532
Mar.	22,648	1,430	13,066	4,365	+ 6,647	15,546	2,188	14,773	2,485	+ 476
April	17,582	1,445	9,403	2.754	+ 6,870	18,810	1,544	13,428	2,973	+ 3,953
May	22,079	1,834	14,099	3,272	+ 6,543	23.626	1,484	12.765	2,357	+ 9,988
June	14,186	1,699	15,130	3,392	- 2,637	26,862	1,995	12,976	3,220	+12,660
July	11,685	1,817	11,994	3,701	- 2,194				0,220	1 12,000
Aug.	10.486	1,980	14,566	4,040	- 6,140					
Sept.	9,738	1,138	16,011	1,466	- 6,601					
Oct.	11,609	1,278	14,338	3,326	- 4,777					
Nov.	12,666	1,539	15,476	2,113	- 3,384					1
Dec.	26,160	1,426	13,695	2,474	+ 11,417					
Total	194,588	18,988	162,767	36,354	+ 14,455					-

^{*} Includes estimated payments for Government imports.

V-NEW ZEALAND GOVERNMENT REVENUE FROM TAXATION

Year ended 31st March

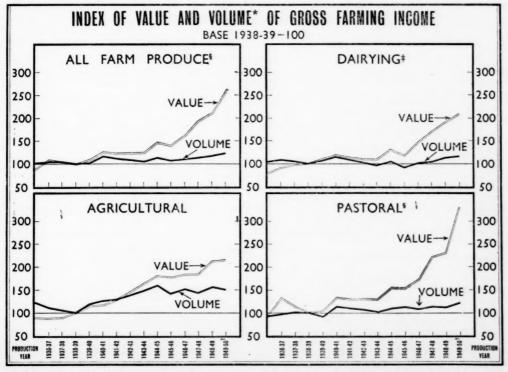
(EN.Z. thousands)	
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			1945	1946	1947	1948	1949	1950	1951
NSOLIDATED FUND:									
Customs Revenue*		****	8.472	8.800	15.719	24,391	19,111	21,475	23,600
Beer Duty*		****	2,074	2,309	4,252	4,404	4,555	4,822	5,036
Sales Tax*	****	****	4.064	4,505	15,551	15,946	14,105	14.785	16,827
Film Hire Tax			128	134	135	111	108	113	107
Motor Vehicles Taxation			1.930	2,324	2,972	3,544	3,614	3.640	3,997
Death Duties*				-,021	5,952	5,666	6,032	5.714	7,254
Duty on Instruments	****		438	508	600	580	531	597	1,161
Racing Taxation			1,096	1,555	2,082	2,198	2,104	2,268	2,578
Amusement Tax			156	178	227	221	244	257	236
Other Stamps Taxation	****		592	560	689	717	714	732	900
Land Tax			953	937	940	854	916	967	1.043
Income Tax*			25.686	26,466	32.085	36,633	49,008	48.483	59,442
National Security Tax*				20,100	9,404	772	_	-	0,,,,,
Miscellaneous			101	93	109	62	20	t	
Totals			45.689	48,371	90,715	96,099	101.062	103,853	122,181
CIAL SECURITY TAXATION:			10,000	10,071	00,710	50,000	101,002	100,000	144,10
Social Security Charge			12664	14 557	22 204	26 177	20.270	21 702	25 76
Registration Fee, etc.			13,664 596	14,557	22,384	26,177	29,378	31,703	35,766
Totals			14.260	15,167	22,404	26,177	29,379	31,703	35,760
Totals	****		14,200	13,107	22,404	20,177	29,379	31,703	33,700
AR TAXATION:		-	4 -						
National Security Tax		8818	20,527	21,738	-		_	_	-
Income Tax			8,562	8,822		_		-	_
Death Duties		****	5,061	5,024	-	-	Arrives	_	_
Customs Duties		*****	2,788	2,861		_			
Beer Duty	****		1,535	1,713		-	_	-	_
Sales Tax	****	4114	9,539	10,559		_	_		_
Postage		****	600	600		-	_		
Miscellaneous	****		121	100			_	_	-
Totals		***	48,732	51,417		_	_	_	_
Grand Totals			108,682	114,955	113,119	122,276	130,440	135,556	157,94
XATION RECEIPTS PER HEAD:			£ s d	£sd	£sd	£ s d	£ s d	£sd	£s
Consolidated Fund		***	27 9 0	28 5 5	51 3 5	53 0 4	54 11 10	54 18 3	63 6
Social Security			8 11 4	8 17 4	12 12 9	14 8 10	15 17 5	16 15 3	18 10
			29 5 6	30 1 0					-0.0
War		***	29 5 0	30 1 0	_	_	_	_	-

Index Numbers-Base 1938-39 = 100.

Commen	Camaria	and	Cantintina	Dehartment

Production	Agri	cultural P	roduce	Pa	storal Prod	luce§		uce of Dai		All	Farm Prod	uce§
Year	Value	Index	Numbers	Value	Index 1	Numbers	Value	Index	Numbers	Value	Index	Numbers
	£m.	Value	Volume*	£m.	Value	Volume*	£m.	Value	Volume*	£m.	Value	Volume*
1935-36	7.4	90	123	27.7	93	93	23.9	78	104	59.0	87	101
1936-37	7.2	88	111	39.5	132	97	27.9	91	109	74.6	108	104
1937-38	7.3	89	106	34.0	114	101	29.8	97	105	71.1	103	104
1938-39	8.2	100	100	29.9	100	100	30.8	100	. 100	68.9	100	100
1939-40	9.4	115	119	31.2	104	93	33.8	110	107	74.4	108	102
1940-41	9.6	117	126	39.9	133	114	36.6	119	115	86.1	125	116
1941-42	10.6	129	128	38.5	129	110	35.1	114	109	84.2	122	111
1942-43	12.0	146	139	39.0	130	106	33.9	110	102	84.9	123	108
1943-44	13.4	163	148	38.6	129	102	33.2	108	96	85.2	124	105
1944-45	14.8	180	160	46.0	154	110	40.0	130	105	100.8	146	113
1945-46	14.5	177	142	45.6	153	113	36.4	118	92	96.5	140	107
1946-47	15.0	183	152	51.3	172	108	44.9	146	102	111.2	161	110
1947-48	15.0	183	144	66.2	221	114	52.1	169	104	133.3	193	113
1948-49	17.4	212	156	68.8	230	112	58.4	190	113	144.6	210	117
1949-50†	17.6	215	150	99.2	332	122	64.2	208	117	181.0	263	123



\$ Including poultry and bees. \$ New series. † Provisional.

^{*} Commodities entering into gross farming income valued at 1938-39 prices.

Acres thousands

1. (a) Area Under Production

Source: Census and Statistics Departmen

	Gra	ins and Pu	lses (threshe	ed)	Fodder Crops (not harvested) Fodder Crops (harvested)				Fodder Crops (not harvested) Fodder Crops (harvested)		Fodder Crops (not harvested) Fodder Crops (harvested)			Fodder Crops (not harvested) Fodd				Clovers
Season	Wheat	Oats	Barley	Peas	Oats	Swedes	Turnips	Rape	Kale	Oats	Lucerne	Grasses & Clovers	cut for Seed					
1938-39	189	54	27	13	51	3	33	12	73	175	37	519	110					
1942-43	287	56	29	33	65	128	199	161	64	121	43	446	141					
1946-47	141	55	53	51	50	176	178	154	83	76	43	540	254					
1947-48	124	63	63	52	44	181	182	161	77	70	46	560	142					
1948-49	147	78	59	49	49	177	175	164	87	67	47	601	160					
1949-50	125	53	57	41	55	175	188	182	101	54	52	578	148					

(b) Yields

	Grain	s and Pulse	s (bushels	000)	Fodder C	rops (harvest	ed) (tons)		Grass at	d Clover Se	eds (million	s of lbs.)	
Season	Wheat	Oats	Barley	Peas	Oats	Lucerne	Grasses & Clovers	Ryeg Perennial	rass Others	Chewings Fescue	Crested Dogstail	Red Clovers	White
1938-39	5,564	2,605	1,077	387	317	96	1,096	12.8	2.3	1.9	.6	1.0	.9
1942-43	9,819	2,809	1,058	889	215	110	953	11.6	3.8	2.7	.4	3.6	3.0
1946-47	5.368	2.686	2,027	1.231	141	110	1.151	30.7	13.1	3.4	2.7	3.8	5.9
1947-48	4,539	2.854	2.088	1,139	123	112	1,181	16.8	41	2.6	1.2	3.5	3.5
1948-49	5.958	3.719	2.256	1.195	123	111	1,360	17.2	4.8	5.3	1.8	3.6	3.5
1949-50	4,898	2,620	2,433	1.243	100	124	1,406	17.6	4.7	3.5	1.1	3.4	4.3

2. Trade

Source: Customs Department

						E	EXPORTS						
Year Ended	Unprepar	red Oats	Unprepa	red Peas	Other U	nprepared Pulses	Clove	er Seed	Gras	s Seed	Other Seeds*	Or	nions
30th June	Centals (000)	Value (£ N.Z. 000)	Centals (000)	Value (£ N.Z. 000)	Centals (000)	Value (£ N.Z. 000)	Cwt. (000)	Value (£ N.Z. 000)	Cwt. (000)	Value (£N.Z. 000)	Value (£ N.Z. 000)	Cwt. (000)	Value (£ N.Z. 000)
1943	0.5	0.4	419	547	2.2	5.4	11	173	51	256	103	12	13
1944	0.2	0.2	121	198	0.8	2.2	40	479	67	437	78	18	20
1945	0.2	0.1	168	328	0.9	1.2	36	619	123	897	105	12	12
1946	32.6	25.7	354	681	2.0	4.5	42	943	144	1,100	152	26	24
1947	0.6	0.4	265	616	0.9	1.4	53	1,259	87	821	171	23	28
1948	0.1	0.1	560	1,195	0.1	0.1	44	631	114	729	210	50	49
1949	0.1	0.1	457	968	1.6	4.5	64	989	104	692	123	37	35
1950	4.2	3.3	449	838 -	-1.8	5.1	39	681	128	884	80	27	30

*Including Linsced.

		EXP	ORTS						IMPORT	S			
Year Ended	Pot	atoes	Liner (Fibre	Flax & Tow)	w	heat	Ba	ley	Seeds	Pot	atoes		afactured acco
30th June	Cwt. (000)	Value (£ N.Z. 000)	Cwt. (000)	Value (£ N.Z. 000)	Bushes (000)	Value (£ N.Z. 000)	Centals (000)	Value (£ N.Z. 000)	Value (£ N.Z. 000)	Cwt. (000)	Value (£ N.Z. 000)	Ibs. (000)	Value (£ N.Z. 000)
1943	24	21	39	341	1.997	477	167	58	115	96	33	2,849	281
1944	40	32	48	437	2,820	716	562	199	134	_	_	6,382	892
1945	36	. 30	40	374	3,385	1,155	129	60	212	-	-	6,591	993
1946	32	26	27	253	4,905	2,453	108	88	286	164	126	7,769	1,329
1947	40	31	14	133	4,416	2,213	110	75	273	_		3,885	831
1948	38	35	10	79	4,907	1,793	98	67	172	-	_	4,173	929
1949	46	39	6	53	5,740	2,428	147	102	211	-	-	5,902	1,191
1950	30	29	4	40	5,386	4,301	_	_	371			5,629	1,403

3. Farm Machinery

Source: Census and Statistics Department

As at 31st January	1930	1938	1942	1946	1947	1948	1949	1950
Electric Motors (Number) Internal Combustion Engines	16,456	46,100	65,699	76,946	82,721	88,282	94,047	110,380
(Number)	19.169	22.573	23.882	21.473	23,109	24.922	26.199	29,841
Agricultural Tractors (Number)	3,891	8,031	13.967	18.940	21,156	23,423	27,447	34,683
Milking Machines (Plants)	20,415	28,192	31,487	31,805	32,596	33,461	34,114	36,316
(Cow Capacity)	72,147	96,750	107.096	107.847	112.813	118,548	123,511	138,998
Cream Separators (Number)	48,302	56,543	54,107	47.783	48,194	48,457	48,451	54,303
Shearing Machines (Stands)	21,482	25,685	28,611	32,167	33,907	35,448	36,952	40,533

Lambs tailed

VII-AGRICULTURAL AND PASTORAL STATISTICS

(thousands)		4. Livesto	ck	Source:	Census and Stati	stics Departmen
	1934	1939	1942	1948	1949	1950
As at 31st January						
CATTLE: Dairy Cows in milk Total Dairy Stock Total Beef Stock Total Cattle	1,796 n.a. n.a. 4,264	1,724 n.a. n.a. 4,527	1,757 n.a. n.a. 4,605	1,714 2,638 2,078 4,716	1,747 2,681 2,041 4,723	1,846 2,860 2,089 4,949
Pigs: Breeding Sows Total Pigs	98 653	96 676	91 681	68 548	68 545	74 552
Horses:	261	262	249	204	196	195
As at 30th April						
SHEEP AND LAMBS: Breeding Ewes Wethers Lambs Total Sheep and Lambs	17,571 2,438 7,240 28,649	19,960 2,815 7,703 31,897	n.a. n.a. n.a. n.a.	21,055 2,249 7,947 32,483	21,500 2,475 7,652 32,845	21,880* n.a. n.a. 33,852*
Season ended 30th June						
Sheep shorn Lambs shorn	25,018 3,508	29,269 3,923	29,226 4,589	30,075 5,697	30,278 5,625	31,526 6,332

^{*} Provisional.

16,949

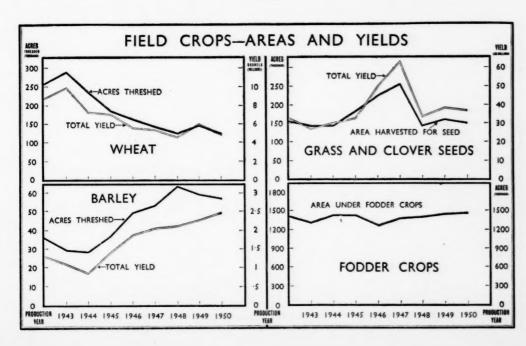
18,523

19,835

19,806

21,170

15,279



VIII-POPULATION AND MIGRATION

1. Population and Vital Statistics

Source: Census and Statistics Department

Year Ended		Mean Popul	ation for Year			Birth Ra Mean Por		Annual Death Rate per 1000 of Mean Population			Increase of Population	
31st Dec.	Excluding Maoris	Maoris	Total	Maoris as % of Total	Non-Maori	Maori	Total	Non-Maori	Maori	Total		Net Reproduc- tion Rate
1926	1,351,901	61,842	1,413,743	4.37	21.06	24.84	21.23	8.74	14.86	9.01	12.22	
1936	1,492,344	82,887	1,575,231	5.26	16.64	43.79	18.07	8.75	19.33	9.31	8.77	0.970
1942	1,545,112	94,460	1,639,572	5.76	21.73	45.84	23.12	10.60	18.34	11.05	12.07	1.208
1943	1,538,651	96,984	1,635,635	5.93	19.70	45.78	21.25	10.04	17.27	10.47	10.78	1.077
1944	1,556,318	99,477	1,655,795	6.01	21.59	45.32	23.01	9.87	16.95	10.30	12.72	1.207
1945	1.593.947	100.767	1,694,714	5.95	23.22	46.09	24.58	10.07	16.23	10.44	14.14	1.321
1946	1.659.145	102.254	1,761,399	5.81	25.24	56.49	27.05	9.70	15.91	10.06		1.473
1947	1,696,188	106,449	1,802,637	5.91	26.42	46.86	27.63	9.38	14.45	9.68	17.95	1.567
1948	1.731.583	109,948	1.841,531	5.97	25.52	45.09	26.69	9.13	13.40	9.39	17.30	1.537
1949	1.767.674	113,444	1.881.118	6.03	24.88	43.34	26.00	9.06	13.80	9.34	16.66	1.511
1950	1,804,012	116,934	1,920,946	6.09	24.56	43.66	25.72	9.27	11.71	9.41	16.31	1.537

2. Migration and Other Arrivals and Departures

		Origin and	Destination	of Perman	ent Migratio	n	Ot	her Arrivals	and Departu	res ‡	!
Year Ended 31st March	United Kingdom	Australia	Other British Countries	U.S.A.	Other Foreign Countries	Total *	New Zealanders	Visitors †	Crews	Through Passengers	Total Movement
Arrivals in N.Z.:					1		1				
1943	99	249	410	56	43	857	891	1,385	39,963	845	43,941
1943	78	357	252	10	51	748	1,171	1,828	33,845	1.812	39,404
1945	615	666	347	12	64	1,704	1.863	3,640	29,686	576	37,469
1946	2,001	1,281	908	189	266	4,645	3,404	5,260	36,037	3.071	52,417
1947	4.863	1.746	927	195	370	8,106	7.947	9,193	31,698	5,742	62,798
1948	6,300	1,429	1.246	202	471	9,648	11,988	11,477	34,176	5.136	72,456
1949	7,144	1,279	1,595	272	1.097	11,387	12.840	11,719	36,695	3,073	75,714
1950	10,128	2,478	2,127	397	2.571	17,701	18,463	14,716	47,499	2,489	100,868
1951	9,675	2,830	2,155	453	3,121	18,234	19,976	16,434	47,263	2,923	104,830
Departures from N.Z.:											
1943	183	413	270	49	7	924	332	1.336	41.525	845	44,962
1944	345	652	350	105	27	1,479	774	1,387	33,307	1.812	38,759
1945	495	921	422	518	36	2,392	1,268	2,529	30,615	576	37,380
1946	1,204	1.609	758	924	138	4,635	2,603	3.728	33,784	3,071	47,821
1947	1.765	1,703	1,312	920	351	6,051	6,865	9,404	32,031	5,742	60,093
1948	1,905	1,797	1.196	373	498	5,769	10,725	10,894	33,319	5,136	65,843
1949	1,857	2,700	1,308	359	455	6,679	13,566	11.520	36,849	3,073	71,687
1950	2,309	3,029	991	353	204	6,886	20,108	16.006	45,958	2,489	91,447
1951	2,736	3,496	1,048	273	234	7,787	21,371	17,964	46,411	2,923	96,456
Excess of arrivals:											
1943	84	- 164	140	7	36	- 67	559	49	-1.562	_	- 1.021
1944	- 267	- 295	- 98	- 95	24	- 731	397	441	538		645
1945	120	- 255	- 75	- 506	28	- 688	595	1.111	- 929		89
1946	797	- 328	150	— 735	128	10	801	1,532	2.253	_	4,596
1947	3.098	43	385	-725	19	2,055	1.082	- '211	- 333		2,705
1948	4,395	- 368	50	-171	- 27	3,879	1,263	583	857		6,613
1949	5,287	-1,421	287	— 87	642	4,708	- 726	199	- 154		4,027
1950	7,819	- 551	1.136	44	2,367	10,815	-1.645	-1,290	1,541		9,421
1951	6,939	- 666	1,107	180	2,887	10,447	-1,395	-1,580	852	_	8,374

^{*} Includes small numbers of unspecified.

^{*} Excess of births over deaths per 1000 of total mean population.

† Excludes Maoris. Based on female population of child-bearing age and current birth and death rates. A rate of 1.000 indicates population is just reproducing itself.

[†] Tourists, on business, evacuees, etc.